

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY JULY 13, 2009

AMENDED IN ASSEMBLY JUNE 26, 2009

AMENDED IN SENATE MAY 5, 2009

AMENDED IN SENATE APRIL 13, 2009

## SENATE BILL

No. 7

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Introduced by Senator ~~Wiggins~~ *Romero*

December 1, 2008

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~~An act to amend Section 2827 of the Public Utilities Code, relating to energy.~~ *An act relating to building standards.*

### LEGISLATIVE COUNSEL'S DIGEST

SB 7, as amended, ~~Wiggins~~ *Romero*. ~~Renewable energy sources: net metering.~~ *Building Code: maximum exit access travel distance standard.*

*The California Building Standards Law requires any building standard adopted or proposed by a state agency to be submitted to, and approved or adopted by, the California Building Standards Commission prior to codification.*

*This bill would make several legislative findings and declarations relating to maximum exit access travel distance regulations in the California Building Code. The bill would require, for buildings that are one story in height and for buildings meeting specified occupancies, the maximum exit access travel distance to be 400 feet where specified requirements are met. The bill would provide that these standards shall remain operative until they are adopted by the commission as part of the California Building Code.*

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law relative to private energy producers requires every electric distribution utility or cooperative, upon request, to make available to an eligible customer-generator, as defined, a standard contract or tariff for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators exceeds a specified amount. Existing law provides that where the electricity generated by the eligible customer-generator exceeds the electricity supplied by the electric distribution utility or cooperative during a 12-month period, the eligible customer-generator is a net electricity producer and the electric distribution utility or cooperative retains any excess kilowatthours generated and the customer-generator is not owed compensation for those excess kilowatthours unless the electric service provider enters into a purchase agreement with the eligible customer-generator for those excess kilowatthours.~~

~~This bill would require the electricity distribution utility or cooperative to allow the eligible customer-generator to apply net surplus electricity, as defined, as a credit for kilowatthours consumed during one, or both, of the two following 12-month periods:~~

~~Existing law requires the commission to undertake certain steps in implementing the California Solar Initiative, including the submission of an assessment of the success of the initiative to the Legislature by June of each year. Existing law requires the assessment to include certain information:~~

~~This bill would require the commission, as part of the assessment submitted to the Legislature on June 30, 2010, to evaluate the costs and benefits of allowing net surplus customer-generators to apply net surplus electricity generated in one year as a credit for kilowatthours consumed during one, or both, of the 2 following 12-month periods:~~

~~Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.~~

~~Because this bill would require action by the commission to implement certain of its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime:~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no.  
State-mandated local program: ~~yes~~-no.

*The people of the State of California do enact as follows:*

1     SECTION 1. *The Legislature finds and declares all of the*  
2     *following:*

3     (a) *For the last 14 years, the California Building Code (Title*  
4     *24 of the California Code of Regulations) has allowed for a*  
5     *maximum exit access travel distance of 400 feet for large*  
6     *warehouse buildings classified as Group F-1 or S-1. During this*  
7     *period, there have been no documented reports of injury due to*  
8     *this distance and recent studies have concluded that an exit travel*  
9     *distance of 400 feet for large warehouse buildings is safe provided*  
10    *that the storage areas are protected by early suppression fast*  
11    *response sprinkler systems.*

12    (b) *The 2009 International Building Code was revised to allow*  
13    *for a maximum exit access travel distance of 250 feet for large*  
14    *warehouse buildings classified as Group F-1 or S-1. This revision*  
15    *will also be automatically included in the 2010 triennial*  
16    *publication California Building Code, effective as of January 1,*  
17    *2011.*

18    (c) *Unless further action is taken, the 2010 revision to the*  
19    *California Building Code will have significant negative*  
20    *consequences for two of the California industries most severely*  
21    *impacted by the current recession, the real estate and construction*  
22    *industries. The proposed revision will define existing large*  
23    *warehouses as noncompliant with the California Building Code*  
24    *and will significantly impact the construction of new large*  
25    *warehouses, many of which have been designed with a maximum*  
26    *400 foot exit access travel distance.*

27    (d) *It is further the intent of the Legislature that the statutory*  
28    *guidelines of this act serve as an interim measure pending adoption*  
29    *of this standard into the California Building Code by the California*  
30    *Building Standards Commission.*

1     SEC. 2. (a) Notwithstanding any other provision of law, in  
2     buildings that are one story in height, for occupancies in Group  
3     F-1 or S-1, as defined by Sections 306.2 and 311.2, respectively,  
4     of the California Building Code (Title 24 of the California Code  
5     of Regulations), the maximum exit access travel distance shall be  
6     400 feet where both of the following exist:

7     (1) The storage areas are protected by early suppression fast  
8     response sprinkler systems designed and installed in accordance  
9     with the National Fire Protection Association Standard 13 for the  
10    Installation of Sprinkler Systems.

11    (2) The storage areas have a minimum interior height of 30  
12    feet to the underside of the roof deck.

13    (b) This section shall remain operative until the standard  
14    specified in subdivision (a) is adopted by the commission as part  
15    of the California Building Code.

16    SECTION 1. ~~Section 2827 of the Public Utilities Code is~~  
17    ~~amended to read:~~

18    ~~2827. (a) The Legislature finds and declares that a program~~  
19    ~~to provide net energy metering, co-energy metering, and wind~~  
20    ~~energy co-metering for eligible customer-generators is one way~~  
21    ~~to encourage substantial private investment in renewable energy~~  
22    ~~resources, stimulate in-state economic growth, reduce demand for~~  
23    ~~electricity during peak consumption periods, help stabilize~~  
24    ~~California's energy supply infrastructure, enhance the continued~~  
25    ~~diversification of California's energy resource mix, and reduce~~  
26    ~~interconnection and administrative costs for electricity suppliers.~~

27    ~~(b) As used in this section, the following terms have the~~  
28    ~~following meanings:~~

29    ~~(1) "Co-energy metering" means a program that is the same in~~  
30    ~~all other respects as a net energy metering program, except that~~  
31    ~~the local publicly owned electric utility has elected to apply a~~  
32    ~~generation-to-generation energy and time-of-use credit formula~~  
33    ~~as provided in subdivision (i).~~

34    ~~(2) "Electrical cooperative" means an electrical cooperative as~~  
35    ~~defined in Section 2776.~~

36    ~~(3) "Electricity distribution utility or cooperative" means an~~  
37    ~~electrical corporation, a local publicly owned electric utility, or an~~  
38    ~~electrical cooperative, or any other entity, except an electric service~~  
39    ~~provider, that offers electrical service. This section shall not apply~~

1 to a local publicly owned electric utility that serves more than  
2 750,000 customers and that also conveys water to its customers.

3 (4) “Eligible customer-generator” means a residential, small  
4 commercial customer as defined in subdivision (h) of Section 331,  
5 commercial, industrial, or agricultural customer of an electricity  
6 distribution utility or cooperative, who uses a solar or a wind  
7 turbine electrical generating facility, or a hybrid system of both,  
8 with a capacity of not more than one megawatt that is located on  
9 the customer’s owned, leased, or rented premises, is interconnected  
10 and operates in parallel with the electric grid, and is intended  
11 primarily to offset part or all of the customer’s own electrical  
12 requirements.

13 (5) “Net energy metering” means measuring the difference  
14 between the electricity supplied through the electric grid and the  
15 electricity generated by an eligible customer-generator and fed  
16 back to the electric grid over a 12-month period as described in  
17 subdivision (h). An eligible customer-generator who already owns  
18 an existing solar or wind turbine electrical generating facility, or  
19 a hybrid system of both, is eligible to receive net energy metering  
20 service in accordance with this section.

21 (6) “Net surplus customer-generator” means an eligible  
22 customer-generator that, during a 12-month period, generates more  
23 electricity than is supplied by the electricity distribution utility or  
24 cooperative to the eligible customer-generator during the same  
25 12-month period.

26 (7) “Net surplus electricity” means all electricity generated by  
27 an eligible customer-generator measured in kilowatthours over a  
28 12-month period that exceeds the amount of electricity consumed  
29 by that eligible customer-generator.

30 (8) “Ratemaking authority” means, for an electrical corporation,  
31 electrical cooperative, or electric service provider, the commission,  
32 and for a local publicly owned electric utility, the local elected  
33 body responsible for setting the rates of the local publicly owned  
34 utility.

35 (9) “Wind energy co-metering” means any wind energy project  
36 greater than 50 kilowatts, but not exceeding one megawatt, where  
37 the difference between the electricity supplied through the electric  
38 grid and the electricity generated by an eligible customer-generator  
39 and fed back to the electric grid over a 12-month period is as

described in subdivision (h). Wind energy co-metering shall be accomplished pursuant to Section 2827.8.

(e) (1) Every electricity distribution utility or cooperative shall develop a standard contract or tariff providing for net energy metering, and shall make this standard contract or tariff available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators exceeds 2.5 percent of the electricity distribution utility or cooperative's aggregate customer peak demand. Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the customer-generator, at the expense of the electricity distribution utility or cooperative, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the customer-generator pursuant to subdivision (h), or to collect solar or wind electric generating system performance information for research purposes. If the existing electrical meter of an eligible customer-generator is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter.

(2) (A) On an annual basis, beginning in 2003, every electricity distribution utility or cooperative shall make available to the ratemaking authority information on the total rated generating capacity used by eligible customer-generators that are customers of that provider in the provider's service area.

(B) An electric service provider operating pursuant to Section 394 shall make available to the ratemaking authority the information required by this paragraph for each eligible customer-generator that is their customer for each service area of an electric corporation, local publicly owned electric utility, or electrical cooperative, in which the eligible customer-generator has net energy metering.

(C) The ratemaking authority shall develop a process for making the information required by this paragraph available to electricity

1 distribution utilities and cooperatives, and for using that  
2 information to determine when, pursuant to paragraphs (1) and  
3 (3), an electricity distribution utility or cooperative is not obligated  
4 to provide net energy metering to additional customer-generators  
5 in its service area.

6 ~~(3) An electricity distribution utility or cooperative is not~~  
7 ~~obligated to provide net energy metering to additional eligible~~  
8 ~~customer-generators in its service area when the combined total~~  
9 ~~peak demand of all electricity used by eligible customer-generators~~  
10 ~~served by all the electricity distribution utilities or cooperatives in~~  
11 ~~that service area furnishing net energy metering to eligible~~  
12 ~~customer-generators exceeds 2.5 percent of the aggregate customer~~  
13 ~~peak demand of those electricity distribution utilities or~~  
14 ~~cooperatives.~~

15 ~~(4) By January 1, 2010, the commission, in consultation with~~  
16 ~~the Energy Commission, shall submit a report to the Governor and~~  
17 ~~the Legislature on the costs and benefits of net energy metering,~~  
18 ~~wind energy co-metering, and co-energy metering to participating~~  
19 ~~customers and nonparticipating customers and with options to~~  
20 ~~replace the economic costs and benefits of net energy metering,~~  
21 ~~wind energy co-metering, and co-energy metering with a~~  
22 ~~mechanism that more equitably balances the interests of~~  
23 ~~participating and nonparticipating customers, and that incorporates~~  
24 ~~the findings of the report on economic and environmental costs~~  
25 ~~and benefits of net metering required by subdivision (n).~~

26 ~~(d) Every electricity distribution utility or cooperative shall~~  
27 ~~make all necessary forms and contracts for net energy metering~~  
28 ~~service available for download from the Internet.~~

29 ~~(e) (1) Every electricity distribution utility or cooperative shall~~  
30 ~~ensure that requests for establishment of net energy metering are~~  
31 ~~processed in a time period not exceeding that for similarly situated~~  
32 ~~customers requesting new electric service, but not to exceed 30~~  
33 ~~working days from the date it receives a completed application~~  
34 ~~form for net energy metering service, including a signed~~  
35 ~~interconnection agreement from an eligible customer-generator~~  
36 ~~and the electric inspection clearance from the governmental~~  
37 ~~authority having jurisdiction.~~

38 ~~(2) Every electricity distribution utility or cooperative shall~~  
39 ~~ensure that requests for an interconnection agreement from an~~  
40 ~~eligible customer-generator are processed in a time period not to~~

1 exceed 30 working days from the date it receives a completed  
2 application form from the eligible customer-generator for an  
3 interconnection agreement.

4 (3) If an electricity distribution utility or cooperative is unable  
5 to process a request within the allowable timeframe pursuant to  
6 paragraph (1) or (2), it shall notify the eligible customer-generator  
7 and the ratemaking authority of the reason for its inability to  
8 process the request and the expected completion date.

9 (f) (1) If a customer participates in direct transactions pursuant  
10 to paragraph (1) of subdivision (b) of Section 365 with an electric  
11 service provider that does not provide distribution service for the  
12 direct transactions, the electricity distribution utility or cooperative  
13 that provides distribution service for an eligible customer-generator  
14 is not obligated to provide net energy metering to the customer.

15 (2) If a customer participates in direct transactions pursuant to  
16 paragraph (1) of subdivision (b) of Section 365 with an electric  
17 service provider, and the customer is an eligible  
18 customer-generator, the electricity distribution utility or cooperative  
19 that provides distribution service for the direct transactions may  
20 recover from the customer's electric service provider the  
21 incremental costs of metering and billing service related to net  
22 energy metering in an amount set by the ratemaking authority.

23 (g) Except for the time-variant kilowatthour pricing portion of  
24 any tariff adopted by the commission pursuant to paragraph (4) of  
25 subdivision (a) of Section 2851, each net energy metering contract  
26 or tariff shall be identical, with respect to rate structure, all retail  
27 rate components, and any monthly charges, to the contract or tariff  
28 to which the same customer would be assigned if the customer did  
29 not use an eligible solar or wind electrical generating facility,  
30 except that eligible customer-generators shall not be assessed  
31 standby charges on the electrical generating capacity or the  
32 kilowatthour production of an eligible solar or wind electrical  
33 generating facility. The charges for all retail rate components for  
34 eligible customer-generators shall be based exclusively on the  
35 customer-generator's net kilowatthour consumption over a  
36 12-month period, without regard to the customer-generator's choice  
37 as to whom it purchases electricity that is not self-generated. Any  
38 new or additional demand charge, standby charge, customer charge,  
39 minimum monthly charge, interconnection charge, or any other  
40 charge that would increase an eligible customer-generator's costs



1 beyond those of other customers who are not eligible  
2 customer-generators in the rate class to which the eligible  
3 customer-generator would otherwise be assigned if the customer  
4 did not own, lease, rent, or otherwise operate an eligible solar or  
5 wind electrical generating facility are contrary to the intent of this  
6 section, and shall not form a part of net energy metering contracts  
7 or tariffs.

8 (h) For ~~eligible residential and small commercial~~  
9 ~~customer-generators~~, the net energy metering calculation shall be  
10 made by measuring the difference between the electricity supplied  
11 to the eligible customer-generator and the electricity generated by  
12 the eligible customer-generator and fed back to the electric grid  
13 over a 12-month period. The following rules shall apply to the  
14 annualized net metering calculation:

15 (1) The ~~eligible residential or small commercial~~  
16 ~~customer-generator~~ shall, at the end of each 12-month period  
17 following the date of final interconnection of the eligible  
18 ~~customer-generator's system with an electricity distribution utility~~  
19 ~~or cooperative~~, and at each anniversary date thereafter, be billed  
20 for electricity used during that 12-month period. The electricity  
21 distribution utility or cooperative shall determine if the eligible  
22 residential or small commercial customer-generator was a net  
23 consumer or a net surplus customer-generator during that period.

24 (2) At the end of each 12-month period, where the electricity  
25 supplied during the period by the electricity distribution utility or  
26 cooperative exceeds the electricity generated by the eligible  
27 residential or small commercial customer-generator during that  
28 same period, the eligible residential or small commercial  
29 customer-generator is a net electricity consumer and the electricity  
30 distribution utility or cooperative shall be owed compensation for  
31 the eligible customer-generator's net kilowatthour consumption  
32 over that 12-month period. The compensation owed for the eligible  
33 residential or small commercial customer-generator's consumption  
34 shall be calculated as follows:

35 (A) For all eligible customer-generators taking service under  
36 contracts or tariffs employing "baseline" and "over baseline" rates  
37 or charges, any net monthly consumption of electricity shall be  
38 calculated according to the terms of the contract or tariff to which  
39 the same customer would be assigned to, or be eligible for, if the  
40 customer was not an eligible customer-generator. If those same

1 customer-generators are net generators over a billing period, the  
2 net kilowatthours generated shall be valued at the same price per  
3 kilowatthour as the electricity distribution utility or cooperative  
4 would charge for the baseline quantity of electricity during that  
5 billing period, and if the number of kilowatthours generated  
6 exceeds the baseline quantity, the excess shall be valued at the  
7 same price per kilowatthour as the electricity distribution utility  
8 or cooperative would charge for electricity over the baseline  
9 quantity during that billing period.

10 (B) For all eligible customer-generators taking service under  
11 contracts or tariffs employing “time-of-use” rates or charges, any  
12 net monthly consumption of electricity shall be calculated  
13 according to the terms of the contract or tariff to which the same  
14 customer would be assigned to, or be eligible for, if the customer  
15 was not an eligible customer-generator. When those same  
16 customer-generators are net generators during any discrete  
17 time-of-use period, the net kilowatthours produced shall be valued  
18 at the same price per kilowatthour as the electricity distribution  
19 utility or cooperative would charge for retail kilowatthour sales  
20 during that same “time-of-use” period. If the eligible  
21 customer-generator’s “time-of-use” electrical meter is unable to  
22 measure the flow of electricity in two directions, paragraph (1) of  
23 subdivision (c) shall apply.

24 (C) For all eligible residential and small commercial  
25 customer-generators and for each billing period, the net balance  
26 of moneys owed to the electricity distribution utility or cooperative  
27 for net consumption of electricity or credits owed to the eligible  
28 customer-generator for net generation of electricity shall be carried  
29 forward as a monetary value until the end of each 12-month period.  
30 For all eligible commercial, industrial, and agricultural  
31 customer-generators, the net balance of moneys owed shall be paid  
32 in accordance with the electricity distribution utility or  
33 cooperative’s normal billing cycle, except that if the eligible  
34 commercial, industrial, or agricultural customer-generator is a net  
35 electricity producer over a normal billing cycle, any excess  
36 kilowatthours generated during the billing cycle shall be carried  
37 over to the following billing period as a monetary value, calculated  
38 according to the procedures set forth in this section, and appear as  
39 a credit on the eligible customer-generator’s account, until the end  
40 of the annual period when paragraph (3) shall apply.

1     ~~(3) At the end of each 12-month period, where the electricity~~  
2 ~~generated by the eligible customer-generator during the 12-month~~  
3 ~~period exceeds the electricity supplied by the electricity distribution~~  
4 ~~utility or cooperative during that same period the eligible~~  
5 ~~customer-generator is a net surplus customer-generator and the~~  
6 ~~electricity distribution utility or cooperative shall allow the eligible~~  
7 ~~customer-generator to apply the net surplus electricity as a credit~~  
8 ~~for kilowatthours consumed during one, or both, of the two~~  
9 ~~following 12-month periods.~~

10    ~~(4) The electricity distribution utility or cooperative shall provide~~  
11 ~~every eligible residential or small commercial customer-generator~~  
12 ~~with net electricity consumption and net surplus electricity~~  
13 ~~generation information with each regular bill. That information~~  
14 ~~shall include the current monetary balance owed the electricity~~  
15 ~~distribution utility or cooperative for net electricity consumed, or~~  
16 ~~the net surplus electricity generated, since the last 12-month period~~  
17 ~~ended. Notwithstanding this subdivision, an electricity distribution~~  
18 ~~utility or cooperative shall permit that customer to pay monthly~~  
19 ~~for net energy consumed.~~

20    ~~(5) If an eligible residential or small commercial~~  
21 ~~customer-generator terminates the customer relationship with the~~  
22 ~~electricity distribution utility or cooperative, the electricity~~  
23 ~~distribution utility or cooperative shall reconcile the eligible~~  
24 ~~customer-generator's consumption and production of electricity~~  
25 ~~during any part of a 12-month period following the last~~  
26 ~~reconciliation, according to the requirements set forth in this~~  
27 ~~subdivision, except that those requirements shall apply only to the~~  
28 ~~months since the most recent 12-month bill.~~

29    ~~(6) If an electric service provider or electricity distribution utility~~  
30 ~~or cooperative providing net energy metering to a residential or~~  
31 ~~small commercial customer-generator ceases providing that electric~~  
32 ~~service to that customer during any 12-month period, and the~~  
33 ~~customer-generator enters into a new net energy metering contract~~  
34 ~~or tariff with a new electric service provider or electricity~~  
35 ~~distribution utility or cooperative, the 12-month period, with respect~~  
36 ~~to that new electric service provider or electricity distribution utility~~  
37 ~~or cooperative, shall commence on the date on which the new~~  
38 ~~electric service provider or electricity distribution utility or~~  
39 ~~cooperative first supplies electric service to the customer-generator.~~

1 (i) Notwithstanding any other provisions of this section, the  
2 following provisions shall apply to an eligible customer-generator  
3 with a capacity of more than 10 kilowatts, but not exceeding one  
4 megawatt, that receives electric service from a local publicly owned  
5 electric utility that has elected to utilize a co-energy metering  
6 program unless the local publicly owned electric utility chooses  
7 to provide service for eligible customer-generators with a capacity  
8 of more than 10 kilowatts in accordance with subdivisions (g) and  
9 (h):

10 (1) The eligible customer-generator shall be required to utilize  
11 a meter, or multiple meters, capable of separately measuring  
12 electricity flow in both directions. All meters shall provide  
13 “time-of-use” measurements of electricity flow, and the customer  
14 shall take service on a time-of-use rate schedule. If the existing  
15 meter of the eligible customer-generator is not a time-of-use meter  
16 or is not capable of measuring total flow of energy in both  
17 directions, the eligible customer-generator shall be responsible for  
18 all expenses involved in purchasing and installing a meter that is  
19 both time-of-use and able to measure total electricity flow in both  
20 directions. This subdivision shall not restrict the ability of an  
21 eligible customer-generator to utilize any economic incentives  
22 provided by a government agency or an electricity distribution  
23 utility or cooperative to reduce its costs for purchasing and  
24 installing a time-of-use meter.

25 (2) The consumption of electricity from the local publicly owned  
26 electric utility shall result in a cost to the eligible  
27 customer-generator to be priced in accordance with the standard  
28 rate charged to the eligible customer-generator in accordance with  
29 the rate structure to which the customer would be assigned if the  
30 customer did not use an eligible solar or wind electrical generating  
31 facility. The generation of electricity provided to the local publicly  
32 owned electric utility shall result in a credit to the eligible  
33 customer-generator and shall be priced in accordance with the  
34 generation component, established under the applicable structure  
35 to which the customer would be assigned if the customer did not  
36 use an eligible solar or wind electrical generating facility.

37 (3) All costs and credits shall be shown on the eligible  
38 customer-generator’s bill for each billing period. In any months  
39 in which the eligible customer-generator has been a net consumer  
40 of electricity calculated on the basis of value determined pursuant

1 to paragraph (2), the customer-generator shall owe to the local  
2 publicly owned electric utility the balance of electricity costs and  
3 credits during that billing period. In any billing period in which  
4 the eligible customer-generator has been a net producer of  
5 electricity calculated on the basis of value determined pursuant to  
6 paragraph (2), the local publicly owned electric utility shall owe  
7 to the eligible customer-generator the balance of electricity costs  
8 and credits during that billing period. Any net credit to the eligible  
9 customer-generator of electricity costs may be carried forward to  
10 subsequent billing periods, provided that a local publicly owned  
11 electric utility may choose to carry the credit over as a kilowatthour  
12 credit consistent with the provisions of any applicable contract or  
13 tariff, including any differences attributable to the time of  
14 generation of the electricity. At the end of each 12-month period,  
15 the local publicly owned electric utility may reduce any net credit  
16 due to the eligible customer-generator to zero.

17 (j) A solar or wind turbine electrical generating system, or a  
18 hybrid system of both, used by an eligible customer-generator shall  
19 meet all applicable safety and performance standards established  
20 by the National Electrical Code, the Institute of Electrical and  
21 Electronics Engineers, and accredited testing laboratories, including  
22 Underwriters Laboratories and, where applicable, rules of the  
23 commission regarding safety and reliability. A customer-generator  
24 whose solar or wind turbine electrical generating system, or a  
25 hybrid system of both, meets those standards and rules shall not  
26 be required to install additional controls, perform or pay for  
27 additional tests, or purchase additional liability insurance.

28 (k) If the commission determines that there are cost or revenue  
29 obligations for an electric corporation, as defined in Section 218,  
30 that may not be recovered from customer-generators acting  
31 pursuant to this section, those obligations shall remain within the  
32 customer class from which any shortfall occurred and may not be  
33 shifted to any other customer class. Net energy metering and  
34 co-energy metering customers shall not be exempt from the public  
35 goods charges imposed pursuant to Article 7 (commencing with  
36 Section 381), Article 8 (commencing with Section 385), or Article  
37 15 (commencing with Section 399) of Chapter 2.3 of Part 1. In its  
38 report to the Legislature, the commission shall examine different  
39 methods to ensure that the public goods charges remain  
40 nonbypassable.

~~(l) A net energy metering, co-energy metering, or wind energy co-metering customer shall reimburse the Department of Water Resources for all charges that would otherwise be imposed on the customer by the commission to recover bond-related costs pursuant to an agreement between the commission and the Department of Water Resources pursuant to Section 80110 of the Water Code, as well as the costs of the department equal to the share of the department's estimated net unavoidable power purchase contract costs attributable to the customer. The commission shall incorporate the determination into an existing proceeding before the commission, and shall ensure that the charges are nonbypassable. Until the commission has made a determination regarding the nonbypassable charges, net energy metering, co-energy metering, and wind energy co-metering shall continue under the same rules, procedures, terms, and conditions as were applicable on December 31, 2002.~~

~~(m) In implementing the requirements of subdivisions (k) and (l), a customer-generator shall not be required to replace its existing meter except as set forth in paragraph (1) of subdivision (c), nor shall the electricity distribution utility or cooperative require additional measurement of usage beyond that which is necessary for customers in the same rate class as the eligible customer-generator.~~

~~(n) It is the intent of the Legislature that the Treasurer incorporate net energy metering, co-energy metering, and wind energy co-metering projects undertaken pursuant to this section as sustainable building methods or distributive energy technologies for purposes of evaluating low-income housing projects.~~

~~SEC. 2. The Public Utilities Commission, as part of the assessment submitted to the Legislature on June 30, 2010, pursuant to paragraph (3) of subdivision (c) of Section 2851 of the Public Utilities Code, shall also evaluate the costs and benefits of allowing net surplus customer-generators to apply net surplus electricity generated in one year as a credit for kilowatthours consumed during one, or both, of the two following 12-month periods pursuant to Section 2827 of the Public Utilities Code. The evaluation shall include the impacts on customers participating and not participating in net energy metering as a result of the creation of net surplus electricity credits as a result of the operation of time-of-use rates.~~

1     ~~SEC. 3.— No reimbursement is required by this act pursuant to~~  
2     ~~Section 6 of Article XIII B of the California Constitution because~~  
3     ~~the only costs that may be incurred by a local agency or school~~  
4     ~~district will be incurred because this act creates a new crime or~~  
5     ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
6     ~~for a crime or infraction, within the meaning of Section 17556 of~~  
7     ~~the Government Code, or changes the definition of a crime within~~  
8     ~~the meaning of Section 6 of Article XIII B of the California~~  
9     ~~Constitution.~~

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